

**California Victim Compensation and Government Claims Board**  
**Open Meeting Minutes**  
**February 16, 2012, Board Meeting**

The California Victim Compensation and Government Claims Board (Board) convened its meeting in open session at the call of Ana M. Caballero, Secretary, State and Consumer Services Agency, at 400 R Street, Sacramento, California, on Thursday, February 16, 2012, at 10:01 a.m. Also present were Board members Richard Chivaro, Chief Counsel, acting for and in the absence of John Chiang, Controller, and Michael Ramos, San Bernardino County District Attorney.

Board staff present included Julie Nauman, Executive Officer; Kathy Cruz, Chief Deputy Executive Officer; and Wayne Strumpf, Chief Counsel.

Tisha Heard, Board Liaison, recorded the meeting.

The Board meeting commenced with the Pledge of Allegiance.

**Item 1. Approval of Minutes of the January 19, 2012, Board Meeting**

The Board voted to approve the minutes of the January 19, 2012, Board meeting.

**Item 2. Public Comment**

The Board opened the meeting for public comment. No public comment was provided.

**Item 3. Executive Officer's Statement**

**2012 National Crime Victims' Rights Week**

In an effort to raise awareness of victims' needs and to advocate on their behalf, the CalVCP, along with its victim services partners, will recognize the month of April as California Crime Victim Rights Month. During the month-long observance, the CalVCP will coordinate its observance in conjunction with National Crime Victims' Rights Week, which will be observed on April 22-28. This year's theme, established at the national level, is "Extending the Vision: Reaching Every Victim." The CalVCP will host its 3<sup>rd</sup> Annual Victims' Rights Rally at headquarters on April 24<sup>th</sup> followed by a march to the State Capitol to participate in other victims' rights events and observances.

Over the month-long observance, the CalVCP will build on the successes of last year with greater outreach and more attention brought to victims' rights throughout the entire month rather than the nationally proclaimed week. The CalVCP will collaborate with stakeholders and county partners as the CalVCP develops blogs and other digital outreach efforts along with more speaking engagements and more media attention to the issue of victims' rights.

Executive Officer Nauman gave two PowerPoint presentations highlighting the VCGCB's 2011 Accomplishments and the successful County Court Ordered Debt Programs.

**2011 Accomplishments Report**

**Victim Compensation Program (CalVCP)**

CalVCP received 52,739 applications, processed 56,379 applications, and paid out over \$81,000,000 to victims.

**Government Claims Program (GCP)**

The GCP received 7,443 claims for processing, an increase of 7 percent from the prior year; referred 4,893 claims to the Board for action, an increase of nearly 5% from the prior year; and received nearly 21,000 telephone calls. As a result of claims filed by vendors who contracted with

the California Department of Corrections and Rehabilitation (CDCR) and the Department of Mental Health (DMH) during fiscal year 2009-10 for services rendered but not compensated, GCP staff processed 638 claims for CDCR and DMH totaling over \$66 million.

#### Human Resource (HR) Section

The HR section streamlined the disciplinary process, improved timesheet processing, and consolidated open enrollment information to become more customer friendly.

#### Legal Office and Appeals Division

Legal Office and Appeals Division were reorganized to achieve greater staff effectiveness. The reorganization has led to an improved and streamlined appeals process, resulting in 3,268 appeals processed, a 40 percent increase in the number of proposed decisions following a hearing; and 1,122 proposed decisions considered and adopted, more than double the number of proposed decisions compared to 2010.

#### County Liaison and Support Section (CLASS)

CLASS developed a balanced scorecard, which will allow the CalVCP the ability to measure the performance of the joint powers (JP) counties. A scorecard will also be developed and implemented for headquarters staff.

#### Mental Health Section

The Mental Health Section increased the number of clinical reviews of mental health providers conducted and revised processes for the reviews so that rather than incurring travel costs to conduct onsite reviews, reviews are conducted in house saving on travel costs.

#### Revenue Generation

The VCGCB made significant progress in its efforts to focus on the need to increase revenue, including:

- The creation of an informal task force comprised of the panelists who spoke at the Restitution Summit held in November 2010, including judges, district attorneys, probation officers, and individuals who work in the field of collections.
- An increase of 707 percent in court-ordered debt cases for felony offenders submitted to FTB for collection.
- The expansion of the Orange County Court Ordered Debt Program.
- Developing collection processes through county realignment.
- Working with judges who participated in the Restitution Summit to produce a "Restitution" message video regarding the importance of ordering and collecting funds for restitution.

#### Information Technology

Phase One (Discovery and Validation) of the CaRES Modification Project has been completed. Enormous efforts have been made to ensure that CaRES is efficient and effective.

#### Legislation and Public Affairs

- Hosted the 2<sup>nd</sup> annual VCGCB Crime Victims' Rights Rally.
- Planned and presented workshops at the National Association of Crime Victim Compensation Boards annual training conference.
- Developed an enhanced social media program that has been adopted by other states.

- Assembly Bill 898, the bill that increased restitution fines by over 50 percent, was signed by the Governor last year and became effective January 1.
- AB 139 and SB 207, the two government claims bills, were approved for payment.
- Won three State Information Officer Council (SIOC) Awards--gold award for internal and external newsletters, gold award for brand identity package, and silver award for social media in government communications.
- Revamped Boardnet, the CalVCP's internal website, to make it more user friendly and provide increased internal communications.
- Designed and published County Resource Web Pages for all 58 counties as part of the CalVCP website.

#### Customer Service Section (CSS)

CSS received 83,735 calls; returned 2,257 voicemails; responded to 5,378 emails; and received 1,791 faxes.

#### Workplace Environment

- New Employee Satisfaction Team
- First annual Executive Officer Awards
- Created the Disability Advisory Committee
- Fall Festival
- Holiday Party

#### New Executive Staff Members

- Kathy Cruz, Chief Deputy Executive Officer, appointed December 1.
- Miles Burnett, Deputy Executive Officer, Administration and Finance Division, appointed December 1.
- Mindy Fox, Deputy Executive Officer, CalVCP and GCP, appointed December 12.

Executive Officer Nauman acknowledged and thanked staff for their tremendous work and dedication.

#### **Overview of the Court-Ordered Debt Programs**

The Court-Ordered Debt Program (COD) began operating in the mid 1990's and is designed to generate revenue for the Restitution Fund, which has been declining in the last few years. The COD program collects outstanding restitution fines from discharged offenders.

#### State Court-Ordered Debt Program (COD)

Operating since the mid-1990's, the state COD program collects outstanding restitution fines from offenders released from prison. The VCGCB receives the discharged offender data from the Department of Corrections and Rehabilitation.

#### County Court Ordered Debt Program (COD)

Implemented in fall 2010, the county COD program collects outstanding restitution fines from offenders who are no longer on probation and on misdemeanor cases. The program is accomplished in two phases--Phase 1- Superior court cases where there was no incarceration or probation involved and Phase 2 - probation department cases.

The collection process is relatively straightforward. The CDCR and the county send cases to the VCGCB. The VCGCB prepares and sends data to the Franchise Tax Board. FTB initiates the

collection process then remits payments to the VCGCB. The VCGCB deposits payments into the Restitution Fund and updates offender records. The VCGCB sends payment reports to CDCR and the county.

From inception of the Orange County COD program through December 2011, the county collected \$258,000, a collection rate of 17%. In the past 12 months, from 2010-2011, the state COD program increased collections by 225%, from \$759,000 to \$2.466 million. The case volume increased by 707% from 47,000 cases to 376,000 cases.

Executive Officer Nauman explained that the revenue potential is approximately \$40 million based on a calculation of the top ten counties with 20,000 cases with a \$200 fine per case.

Chairperson Caballero asked whether the interface with FTB is a mechanical transfer of information and asked the amount charged by FTB.

Ms. Nauman stated that the transfer of information is mechanical. Lynnette Freitag, Manager, Administration and Finance Division, stated that FTB charges a 15 percent administrative fee and the VCGCB has a 17 percent rate of return.

Chairperson Caballero asked, due to a large number of individuals who will no longer go into the CDCR system due to the realignment, if the counties would be able to collect from those individuals.

Executive Officer Nauman stated that it was her understanding that most counties currently have some type of trust fund mechanism to collect from offenders although she was unsure which systems would be used once an individual leaves county jail. The VCGCB is trying to stay very close to the issue and play the role of collector of that information to help all counties establish processes that will be effective. She stated that it has been a challenge working with the courts and the Administrative Office of the Courts because they have their own systems, but staff will work with probation officers and sheriffs to find mechanisms to meet everyone's needs.

#### **Item 4. Contract Report**

##### **Western Blue Corp an NWN Company**

Five blade servers to support the CaRES Modification infrastructure with a three-year maintenance agreement. The amount of the contract is \$58,489.59.

##### **CompuCom Systems**

Additional Microsoft licenses were purchased under the Microsoft Enterprise License Agreement to upgrade the VCGCB's existing Production Servers to the SQL Server Enterprise Licenses required for CaRES and the CaRES Modification Project. The amount of the purchase order, which includes the 3<sup>rd</sup> amendment, is \$164,797.84.

#### **Item 5. Government Claims Program** **Consent Agenda (Nos. 1- 237)**

The Board adopted the staff recommendations for item numbers 1-237, with the following exceptions: item numbers 46 (600667) and 101 (601385) were removed to allow the claimants an

opportunity to address the Board; and item numbers 194 (601695), 221 (596477), 222 (G597056), and 237 (601692) were moved pending review of additional information received.

### **Consent Agenda Appearance**

#### **Item 46, G600667**

#### **Claim of Anthony Picciano**

Claimant Anthony Picciano appeared and addressed the Board. Julie Neale appeared on behalf of the Air Resources Board. There was no representation from the Department of Personnel Administration (DPA).

Anthony Picciano requested compensation from the California Air Resources Board (ARB) in the amount of \$1,296 for health insurance premium overpayments. DPA deferred its recommendation to the ARB. The ARB and Government Claims Program recommended that the claim be rejected.

Mr. Picciano submitted documentation for the Board's review and consideration. He stated that he and his wife had separate insurance policies. He contacted his human resource (HR) section to inquire the cost to add his wife to his policy. He was told by HR staff that the cost would be \$179.00 for a party of two. Relying on HR's quote of \$179.00, he cancelled his wife's grandfathered insurance policy and included her on his benefits. Two months later, \$792.32 was deducted from his paycheck for health insurance premiums. He contacted HR and they admitted responsibility for their mistake. He stated that his claim represents the difference between the misrepresented amount and the amount charged for all the time between the initiation of the medical policy and his becoming fully vested, thus qualifying him for the correct rate.

Ms. Neale stated that ARB agreed that Mr. Picciano was initially quoted the wrong amount for his policy. ARB agrees that Mr. Picciano is due some compensation; however, he did not take into consideration the fact that he was not given the quotes for the cost of his wife's policy and his had they continued to have two policies. The amount that was originally deducted from his pay warrant was erroneous for a number of reasons. The State Controller's Office had him vested at 50 percent when it was later determined that he was vested at 75 percent resulting in a \$218 refund to him against the \$792.32 deduction. The ARB realized the financial impact on Mr. Picciano; therefore, he was given a hardship advance which ARB allowed him to repay in \$50 a month increments. Ms. Neale stated that given the difference between the cost of the actual policy that he is now enrolled and the policy amount that he was originally quoted would be a gift of public funds, which ARB is not allowed to authorize.

Mr. Picciano stated that he was quoted \$179 which he relied on and he should not be responsible for the error made by staff. While he has been vested at 75 percent, his claim is for the difference between what he was quoted at the 75 percent vesting.

Chairperson Caballero asked Mr. Picciano for the total amount that he claimed he was due because the information that was provided was that he received a refund in the amount of \$218.

Mr. Picciano stated that he was claiming \$1, 296.00 which amounts to one year.

Board member Ramos asked Mr. Picciano, for clarification purposes, whether he switched insurance policies.

Mr. Picciano stated that he was stuck with the insurance policy because his wife's policy was cancelled. He further stated that he is not paying nearly \$800.00, rather he is now paying \$326.00.

Board member Ramos stated that he was concerned about the comment made by Ms. Neale regarding a gift of government funds. Further, the issues involved in the claim were beyond the Board's authority.

Jackie Tinetti, Government Claims Program Manager, explained that the court may be a better forum to adjudicate the matter. If the Board adopted the staff recommendation to reject the claim, the claimant could then pursue the matter in court.

The Board voted to adopt the staff recommendation to reject the claim.

### **Consent Agenda Appearance**

#### **Item 101, G601385**

#### **Claim of Rick Dahl**

The claimant failed to appear. The Board voted to adopt the staff recommendation to reject the claim.

### **Item 6. Claim of Verizon**

#### **Claim Number G600579**

Jackie Tinetti, Government Claims Program Manager, presented the item and explained that Verizon requested payment in the amount of \$53,893.55 for services provided to the Department of Motor Vehicles (DMV) from November 2010 through October 2011.

Ms. Tinetti stated that GCP staff reviewed the claim and determined that it was complete and timely, pursuant to Government Code sections 910 and 911.2. Verizon provided satisfactory services to DMV and had not been compensated. Based upon consideration of the facts and the parties' mutual desire to settle the matter through Board action, GCP staff recommended that the claim be allowed in the amount of \$53,893.55 under authority of Government Code section 965 (agency pay).

The Board voted to adopt the staff recommendation to allow the claim in the amount of \$53,893.55 under authority of Government Code section 965 (agency pay).

### **Item 7. Claim of Drug Consultants, Inc.**

#### **Claim Number G600715**

Jackie Tinetti, Government Claims Program Manager, presented the item and explained that Drug Consultants, Inc. requested payment in the amount of \$74,404.06 for pharmaceutical services provided to the California Department of Corrections and Rehabilitation (CDCR) from July 2011 through September 2011.

Ms. Tinetti stated that GCP staff reviewed this claim and determined that it was complete and timely, pursuant to Government Code sections 910 and 911.2. Drug Consultants, Inc., provided satisfactory services to CDCR and had not been compensated. Based upon consideration of the facts and the parties' mutual desire to settle this matter through Board action, GCP staff recommended that the claim be allowed in the amount of \$74,404.06 under authority of Government Code section 965 (agency pay).

The Board voted to adopt the staff recommendation to allow the claim in the amount of \$74,404.06 under authority of Government Code section 965 (agency pay).

**Item 8. Request for Delegation of Authority Under Government Code Section 935.6  
By the California Highway Patrol**

Jackie Tinetti, Government Claims Program Manager, presented the item and explained that the California Highway Patrol (CHP) requested that the Victim Compensation and Government Claims Board (Board) approve its request for delegated authority to settle and pay or reject timely claims that do not exceed \$1,000.00 each, from March 1, 2012, to February 28, 2013.

The Board voted to adopt the staff recommendation to allow the request.

Executive Officer Nauman stated that in the next few months staff would prepare an item for Board consideration and discussion regarding extending the timeframes of delegated authority agreements for more than one year. Criteria will be developed and will include, among other factors, how long the department has been operating under the delegation, the number of claims received by the department, and the department's average claim processing time.

**Item 9. Applications for Discharge From Accountability for Collection**

The item was removed from the agenda.

**Victim Compensation Program**

The Board commenced the Victim Compensation Program portion of the meeting at 10:40 a.m.

**Closed Session**

Pursuant to Government Code section 11126(c)(3), the Board adjourned into Closed Session with the Board's Executive Officer, Chief Deputy Executive Officer, and Chief Counsel at 10:40 a.m. to deliberate on the proposed decisions numbers 1-120.

**Open Session**

The Board reconvened into open session at 10:50 a.m. The Board voted to adopt the proposed decisions for numbers 1-120, with the exception of numbers 47 (A09-2082196) and numbers 50A-50C (A09-2203453, A09-2203479, and A09-2203461), which were returned to staff.

**Adjournment**

The Board meeting adjourned at 10:51 a.m.